

HOUSE BILL 1256
By McMillan

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 12, relative to public purchases, bidding, and contracts.

WHEREAS, state procurement and information technology executives recognize the need to improve the current procurement process for information technology hardware, software, and services; and

WHEREAS, enhancements in Tennessee's procurement practices for information technology can save taxpayers money by increasing the flexibility of purchases, making it possible for agencies to take advantage of the ongoing price and performance improvements that take place in one of the most volatile and fast-changing industries in the world; and

WHEREAS, many states have demonstrated the benefits gained from implementing procurement reforms; and

WHEREAS, a reformed procurement system can spur on the economic well-being of Tennessee by increasing its ability to attract business through the use of up-to-date procurement tools, such as electronic commerce and electronic bidding systems; and

WHEREAS, a reformed procurement system can expand and enhance the delivery of services to citizens and businesses in Tennessee by speeding the implementation of automated systems that provide information and services to citizens and businesses; and

WHEREAS, the report of National Association of State Information Resource Executives (NASIRE) and the National Association of State Purchasing Officials (NASPO) on procurement reform identifies certain changes that can save millions of dollars; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1.

(a) The comptroller of the treasury is directed to conduct a study of the procurement of information technology commodity items and services.

(b) The procurement reform goals of the study shall include, but not be limited to:

(1) Simplifying the procurement of information technology commodity items and services in order for the state and its political subdivisions to benefit from the values and savings brought on by the marketplace, so that benefits of technology can be realized without delay and the cost of the acquisition can be minimized for both agency users and procurement staff;

(2) Building an infrastructure for electronic commerce in order to create a cost-effective and efficient method for ordering goods and services, for reaching a much larger number of bidders, and for increasing the competition for high-quality goods and services;

(3) Procuring information technology based on best value, not lowest price, in order to ensure that expensive and complex computer systems are built with the highest level of quality, reliability, and support from vendors;

(4) Developing beneficial partnerships with vendors in order to share risk and add value to the procurement of complex technology, and to promote a better understanding of state government needs, and to allow for an ongoing assessment of how the vendor is performing and to make improvements based on the assessment; and

(5) Using solicitations for bid to define a business problem in order that vendors can offer innovative solutions rather than simply to specify the details of the final product and so that vendors will offer a technology solution of their own design, based on their high level of expertise, that they believe will work, making them more willing to share in the project's risk.

(c) The report of the comptroller shall include findings and recommendations, including legislative changes, if any, and shall be filed with the clerk of each house no later than February 15, 2004. A copy of such report shall also be forwarded to the commissioners of finance and administration and general services.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.